
Subject: Vendor Evaluation and Selection Criteria

Effective Date: August 1, 2009

Revised from: October 1, 2008

Policy: The State Agency (SA) must authorize an adequate number of vendors to ensure reasonable access to WIC clients and to ensure effective management and oversight of authorized vendors.

If there is inadequate client access to a WIC vendor, the SA may exempt full-line grocery stores from criteria 1, 2, 3, 4, 7 and 8. Except for certain exemptions regarding infant formula, there will be no exemptions made from criteria 5 (minimum quantity of authorized foods) and criteria 6 (comparable prices) for full-line grocery stores.

If there is inadequate client access to a WIC vendor, the SA may exempt pharmacies and non-profit vendors from criteria 1, 2, 3, 4, 6, 7 and 8. Except for certain exemptions regarding infant formula, there will be no exemptions made from criteria 5 (minimum quantity of authorized foods) for exempt pharmacies and non-profit vendors.

The Kansas WIC program shall not authorize any vendor who derives more than 50 percent of their annual gross food sales from items sold to the WIC program.

Reference: 7 CFR § 246.12(g)(3)

Procedure:

Applicant and authorized vendors must consistently meet all the following criteria throughout the contract period, including any changes to the criteria.

1. Vendors must be licensed by the Kansas Department of Agriculture as retail grocery store.
 - a. Military Commissaries are considered full-line grocery stores.
2. Vendors must provide foods from stationary locations, have a minimum food sales area of 2,000 square feet or more, and be accessible to clients with disabilities.
3. Vendors must not currently be disqualified from participating in the Kansas Food Assistance Program.
4. For existing vendors, sufficient client usage of the store location must exist. Newly approved vendors will be evaluated after completing one year of participation as a WIC vendor.
 - a. Proximity Standard: When there is a question of proximity, maps will be used to determine the geographic relationship of one vendor to another WIC vendor.
 - i. Rural Counties: Vendors located 5 miles or less from another WIC vendor will be evaluated for client usage.
 - ii. Urban Counties: Vendors located 1 mile or less from another WIC vendor will be evaluated for client usage.

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- b. Client Usage Standard: An existing vendor is assessed by counting the number of WIC clients redeeming food instruments with the vendor. The SA will gather the data for this criterion by reports generated through the processing of WIC food instruments. In order to continue as a WIC vendor, the vendor must have either of the following:
 - i. Rural counties: must average 25 clients for the months of April, May and June.
 - ii. Urban counties: must average 100 clients for the months of April, May and June.
- 5. The vendor must maintain a minimum stock of WIC approved foods. Refer to policy VEN 02.03.00 Minimum Stock Requirements for more information regarding requirements.
- 6. At the time of application or contract renewal, the vendor's prices must meet pricing requirements with the average prices established for the peer group they would be placed in. Vendors with the lowest prices for WIC foods will be given preference for authorization over vendors with higher priced WIC food items.

The SA will use the Vendor Price Survey and/or Quarterly Price Assessment (QPA) to assess the vendor's prices. The SA will determine the average prices of representative WIC allowable foods of all WIC vendors by peer group using results from the most recent QPA.

All prices on the applicant's Vendor Price Survey or existing authorized vendor's QPA will be assessed against the peer group average price plus 10% for each surveyed food. The peer group data used will correspond to the peer group to which the vendor has been assigned. Any vendor with more than 50% of their food type prices above the peer group adjusted food price will be considered high priced. Any vendor with more than 75% of their food prices above the peer group adjusted food price will be considered very high priced. High and very high priced vendors will be considered for program participation only when no other vendor with lower prices meets the remaining selection criteria.

- 7. Vendors may not have more than fourteen (14) contract violations in the previous year to continue as a WIC vendor.
- 8. Vendors must produce a dated cash register receipt to document each sale. The receipt should give a product description of food items purchased and unit prices for each food item to allow auditing of foods sold to WIC clients.
- 9. Vendors must purchase infant formula from the State Agency's Approved Infant Formula Wholesaler/Retailers/Manufacturer list.
- 10. The SA will consider business integrity when determining eligibility for selection as a vendor. Activities indicating a lack of business integrity include, but are not limited to the following:
 - a. Fraud;
 - b. Antitrust violation;
 - c. Embezzlement, theft, or forgery;
 - d. Bribery;
 - e. Falsification or destruction of records;

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- f. Making false statements or claims;
- g. Receiving stolen property;
- h. Obstruction of justice;
- i. Other evidence reflecting on the business integrity and reputation of the applicant;
- j. Arson;
- k. Conspiracy; or
- l. Official records of removal from any federal, state or local programs.

The SA will not contract with any vendor that has been currently disqualified from a USDA, Food and Nutrition Services (FNS) program during the last six (6) years or if any of the vendor applicant's current owners, officers, or managers have civil judgment entered against them for, or have been convicted of any activity indicating a lack of business integrity. The SA shall determine which offenses apply. The vendor must have and maintain a positive compliance history with any and all FNS programs, if currently or formerly a vendor for those programs.